

House Committee Activity: March 9 - 10, 2004

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Transportation

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Commerce

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**In This Week's
Research Review:**

**House Committee
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Summaries of Budget
Hearings**

**Labor & Workforce
Development**

Commerce & Insurance

**Environment &
Conservation**

TWRA

Health Department

Human Services



Agriculture

Matt Barnes

Full Committee

The **Agriculture Committee** met Tuesday with two administration bills on calendar, sending them both to Calendar and Rules. **HB 3543** (Davidson) increases from a Class C misdemeanor to a Class A misdemeanor certain offenses regarding the sell and delivery of pesticides. The bill also requires pesticide dealers to obtain licenses for each location where they conduct business, and buyers must be licensed as a commercial pest control operator or aerial applicator. **HB 3540** (Bone) allows the state veterinarian to serve as a non-voting, ex-officio

member of the Board of Veterinary Medical Examiners.

Before the meeting began, Vice-Chair Bone made Cody Powell and Jared Givens honorary members of the committee. Both are students at Wilson Central High School and Wilson County 4-H members led by Mark Powell, who was also present. The younger Powell and Givens gave brief speeches for the committee, leading the older Powell to state proudly how he gauges his success based on theirs.

Chairman Davidson recognized all those with exhibits for "Ag Day on the Hill" and introduced Commissioner Ken Givens, Department of Agriculture. Commissioner Givens spoke of the cooperation between

farmers and farm families long ago as an analogy to the current state of relations between farmers, the Agriculture Committee, the department, Farm Bureau, and the University of Tennessee Institute of Agriculture extension service.

Commissioner Givens introduced Dr. Joe Johnson, interim president of the University of Tennessee. Dr. Johnson said the College of Veterinary Medicine served 36,000 patients last year, farm animals making up over half. After two ACL surgeries on his black Labrador retriever, Dr. Johnson said he now owns half of the college. He further stated the future for agriculture is bright, particularly because of the honorary committee members, whom he immediately offered admission. Dr. Johnson closed his remarks with a couple of Auburn jokes, some self-deprecating humor related to his recent automobile accident, and gratitude for the resolution passed in his honor Monday night.

Dr. Jack Britt, Vice President of the UT Institute of Agriculture, spoke on two new soybean varieties the Institute has recently discovered. He said the varieties are significant because they exceed current yields by five bushels per acre. Within the next two years, the Institute plans to unveil its Roundup-resistant soybean variety. Regarding agro-terrorism, Dr. Britt said the Institute has conducted risk assessments in every Tennessee county and readiness tests with various state agencies.

Children & Family Affairs

Shannon Romain

The Full Committee

The **Full Committee** met this week with four bills on the calendar. **HB 1146** (Rep. Deberry), **HB 2739** (Rep. Bunch) and **HJR 0890** (Rep. B. Cooper) were deferred for one week. **HB 2782** (Rep. Fowlkes) was referred to Calendar and Rules with an amendment that makes the bill. As amended, the bill provides that it is not mandatory for an LEA to enroll a student under a power of attorney created for any reason other than the statutorily prescribed hardships. However, an LEA has the discretion to enroll a student with a properly executed power on a case-by case basis for other circumstances which it determines are hardships and which are not set out in the code.

Family Justice Subcommittee

The **Family Justice Subcommittee** also had four bills on the calendar. As amended, **HB 3112** (Rep. Bowers) requires a court that is setting or modifying a child support order to take all children for which an obligor is legally responsible into consideration when determining the support. The original bill required the court to give equal consideration to each child, however the amendment requires instead "equitable consideration" as defined by child support guidelines.

The amendment also addresses substantial and material change of circumstances and variances for the purposes of seeking review of existing orders and deviations from the guidelines. Under the amendment, the birth or adoption of a child would be considered a substantial and material change of circumstance. Under normal circumstance, to deviate from the guidelines there must be a variance of 15% or more which constitutes a material change in circumstances, before the court may modify an existing order. The original bill set forth guidelines to address low-income families. The legislation permitted a variance for any change in circumstances, whether material or not. The amended bill designates the significant variance threshold for low-incomes as 7 1/2% of the difference between the current child support order and the amount of the proposed order. Finally, the Department of Human Services promulgates all child support rules, regulations and guidelines. This bill requires such promulgation to be consistent with the provisions of the bill. The amendment makes the bill.

HB 2345 (Rep. Fowlkes), **HB 3102** (Rep. Bunch) and **HB 2614** (Rep. Dubois) were deferred one week:

Domestic Relations Subcommittee

In the **Domestic Relations Subcommittee**, **HB 2572** (Rep. Hackworth) was referred to the full committee. The legislation addresses child support. As amended, it requires an employer to notify the clerk, Department of Human Services, or the appropriate entity in another state if an employee paying child support via a wage garnishment is terminated or their income is stopped for some other reason. If, following the termination, the employee is eligible for unemployment benefits, the employer must also notify the division of Employment Security.

In addition to termination, an employer must also give the clerk and the department notice upon filing for bankruptcy and at least ten days notice prior to ceasing

to operate as a business, providing specifics on all employees who are affected and subject to an income assignment. Penalties and consequences for failing or refusing to comply include liability for any amounts up to the accumulated amount which should have been withheld and a fine of up to \$500. Any penalties collected as a result of this legislation shall be distributed to the child(ren) who did not receive their support as scheduled, in addition to the amount the child(ren) normally receive(s) under their support order. The additional amount will in no way reduce any amount of support owed by the obligor.

Penalties shall be assessed by the Commissioner of the department. If an employer fails to pay any penalties within 15 days after the mailing date of the assessment, a lien shall be placed against the employers real or personal property. The department may collect the penalty amount by any available administrative enforcement procedures or by court action. The employer retains the right to appeal an assessment and has 15 days to file an appeal for an administrative hearing. If the employer fails to timely appeal, all penalties assessed shall be final and conclusive.

HB 2627 (Rep. Clem) prohibiting legal recognition of civil unions and domestic partnerships from another state was deferred one week at the request of the chair.

Commerce

Matt Barnes

Full Committee

The **Commerce Committee** met Tuesday to consider three bills.

- Passed to Finance, Ways, and Means:

HB 2517 (Turner, M.), as amended, exempts from the "Do Not Call" law communications made by members, volunteers, employees, or authorized representatives of non-profit organizations exempt under Internal Revenue Code 501(c), provided the authorized representatives comply with the current registration requirements of TCA 65-4-405(d)(1). The sponsor stated the bill as drafted and the code section in the amendment make the bill applicable only to firefighters. The committee adopted the amendment.

HB 2519 (Turner, M.), as amended, states members of the Commission on Firefighting Personnel Standards and

Education shall receive a per diem payment of \$50 for each commission meeting, as well as for each day of attendance at a local firefighting unit as present law allows. Further, the bill deletes from present law the \$300-per-year cap on per diem payments for commission members. Other aspects of the amendment include adding travel and expense allowances for those members attending commission meetings. However, the final clause of the amendment makes all of the per diem and expense allowances subject to funding available in the commission's budget. The committee adopted the amendment.

- Passed to Calendar and Rules:



HB 3413 (Hargrove) revises the "Do Not Fax" law, passed last session, by deleting the notification requirements on the part of recipients and making the first unsolicited fax a violation, a move the sponsor said brings the law in line with federal law.

Chairman Hargrove also pointed out that the burden shifts from the recipient to the sender with this bill.

Industrial Impact Subcommittee

The **Industrial Impact Subcommittee** took up five bills on its calendar on Tuesday. Two bills were sent to full committee and three rolled one week.

HB 2590 (Hagood) and **HB 3520** (McMillan) were sent to full committee. **HB 2590**, as amended, requires insurance companies to respond to requests from the Department of Commerce and Insurance (concerning complaints filed against them) within 30 days and allows the commissioner to levy a \$100 penalty each day if the response is not made. The bill exempts groups in TennCare. **HB 3520** (McMillan) clarifies that prepaid limited health service organizations are subject to the Insurance Holding Company System Act and makes other requirements applicable to such organizations.

Rolled one week:

- **HB 2748** (Johnson, P.) allows 10 or more employers within the same non-profit business association to pool liabilities and qualify as self insurers.

- **HB 2339** (Bowers) regulates the use of credit and other information to rate personal insurance risk. Chairman McKee said that Rep. Bowers' bill and others that address the issue of scoring personal insurance risk will all be placed on next week's calendar.
- **HB 3234** (McKee) involves insurance plans that cover only major catastrophic illness. Chairman McKee asked that the subcommittee look at prepared minutes from this summer and fall's study committee meetings to come up with recommendations on this bill. Chairman McKee noted that the results of those summer meetings showed that accessibility and affordability are main concerns of citizens and that health insurance expenses are heavily driven by mandates. This bill would exempt from all mandated health benefits requirements those insurance plans that provide only major medical insurance coverage for catastrophic illness requiring in-patient hospital care (to the extent that mandates are essential for basic health care in such instances). Members are to draft recommendations for the March 16th subcommittee meeting, where the proposal will be discussed as an item on the calendar.

Chairman McKee also announced that Industrial Impact would probably hold three more meetings, with an anticipated March 30th closing date.

Small Business Subcommittee

At the **Small Business Subcommittee** on Wednesday, Chairman Ferguson said next week would probably be the last for the subcommittee. Members will be notified to put their bills on notice.

HB 1671 (Rowland) requires armed and unarmed security guards to submit to a drug and alcohol screening prior to employment and license renewal. The original bill made a violation a Class E felony, but the sponsor brought an amendment that removed such a provision and the associated fiscal impact. Rep. Rowland also pointed out that the effective date of the bill needed to be changed from July 1, 2003, to July 1, 2004. The subcommittee adopted both changes as one incorporated amendment and passed the bill to full committee.

HB 2372 (Baird) requires businesses that provide high chairs and booster seats to include on them safety restraints that meet certain voluntary safety standards. Rep. Odom offered as an amendment that the restraints

meet "nationally-recognized safety standards." The subcommittee adopted the amendment and passed the bill to full committee.

HB 2755 (Bunch), which changes the provisions concerning boards of directors for property owners associations, was rolled one week.

Utilities and Banking Subcommittee

The **Utilities and Banking Subcommittee** met Tuesday with five bills on calendar.

HB 2931 (Rinks) increases the fees for electrical inspections because, as the sponsor stated, a discrepancy exists between rural and urban inspectors. While an urban inspector may make numerous inspections in a day in a subdivision, for example, rural inspectors often travel long distances between inspections and thus can only perform one to two per day. Chairman Curtiss asked the sponsor to hold the bill until his limited licensed plumber bill gets introduced since the two bills involve some of the same issues. Rep. Rinks honored that request, rolling the bill for two weeks.

HB 3240 (Wood), which prohibits privately-owned public utilities that supply water to municipal governments from charging those governments for hydrant services when the governments provide fire protection services, was rolled one week.

HB 2883 (Jones, S.) enacts the "Calling for 2-1-1 Act" to create a central location to call for all matters related to human services, keeping the Tennessee Regulatory Authority in line with federal regulations creating the number. Rep. Jones introduced an amendment that authorizes the TRA to grant, on a one-time basis, \$400,000 from the Public Utilities Account for start-up costs, thereby removing the fiscal impact of the bill. The subcommittee adopted the amendment and passed the bill to full committee.

HB 3406 (Hargrove) enacts the "Tennessee Telecommunications Device Distribution Program Renovation Act," thereby changing the 1999 legislation also sponsored by Rep. Hargrove. That legislation required the TRA to create a program whereby telecommunication providers assist those who are deaf or blind by contributing text telephones and other telephone devices. This bill expands the current system to keep it in line with new technologies. The bill was passed to full committee.

HB 3539 (Fitzhugh) is a predatory lending bill the administration brought in response to the federal rule that preempts state laws regulating federal banks. As the sponsor stated, the bill beefs up current Tennessee law to increase fines from \$500 to \$10,000. Further, since no current method exists to know the identities of the mortgage loan originators, this bill would establish registration requirements for such originators. The bill passed to full committee.

Conservation & Environment

Greg E. Adkins

The Full Committee

The **full Environment Committee** met on Tuesday, March 9, 2004, and considered three bills. **HB 2731** by Rep. Bunch was rolled two weeks. The bill permits minors under the age of eighteen to obtain a hunting and fishing license without proof of a social security number. **HB 2373** by Rep. Baird was rolled four weeks; the bill authorizes issuance of a lifetime sport-fishing license to an individual that receives Social Security benefits for 100% permanent disability. Currently, the law requires a fishing license to be purchased on an annual basis for \$21. **HB 3193** by Rep. Garrett was rolled two weeks. The amended bill restores the portion of the recordation tax for the transfer of realty that prior to 2003 was dedicated to the Wetland Acquisition Fund, Local Parks Land Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund. Prior to 2003 a portion of the transfer tax was automatically allocated to the above mentioned funds. The 2003 legislation diverted the dedication of the funds to the General Fund until 2007, unless a specific allocation of the funds is made in the General Appropriations Act. The amended bill would not take effect until July 1, 2005.

Environment Subcommittee

The **Environment Subcommittee** met on Tuesday, March 9, 2004, and considered one bill. **HB 3206** by Rep. Coleman was rolled one week. The amended bill clarifies that TDEC is authorized to issue a stop work order for surface coal mining activities when the mining activities cause actual violations of water quality regulations. The stop work order will remain in effect

until TDEC has determined the operator has installed best managed practices to mitigate the water quality violations.

Parks Subcommittee

The **Parks Subcommittee** met on Wednesday, March 10, 2004, and considered four bills. **HB 3494** by Rep. McMillan & Rep. Yokley passed to full committee. The bill requires the TDEC and Dept. of Tourism Commissioner or designee to serve as ex officio members of the Great Smoky Mountains Park Commission. **HB 3497** by Rep. McMillan & Rep. Hood passed to full committee. The bill designates fifteen acres in Rutherford County at Manus Road Cedar Glade as a Class II Natural/Scientific Area. **HB 3495** by Rep. McMillan & Rep. McDonald (exempting parks purchasing requirement) and **HB 3096** by Rep. Todd (TDEC review of 20 year old natural areas) were rolled one week.

Wildlife Subcommittee

The **Wildlife Subcommittee** did not meet Tuesday, March 9, 2004.

Consumer & Employee Affairs

Shannon Romain

The Full Committee

The **full committee** met on Wednesday with one bill on the calendar. **HB 2754** (Rep. Vaughn) was referred to Calendar and Rules. Last week, the committee adopted amendment #1 that rewrote the bill. That amendment prohibited an employer with 50 or more employees from terminating employee benefits without giving notice to affected employees within 24 hours after termination. If an employer gives notice to 50 or more employees within a 3-month period, the employer must also notify the Commissioner of Labor concurrent with notice given to the 50th person.

The amendment clarifies benefits as health insurance coverage, life, accident and disability insurance. Termination of a benefit includes termination of the employer's portion of the payment for the benefit

whether or not the employee has the option to continue to purchase the benefit by paying the employer's portion of the payment. The amendment does not require an employer to give notice of termination of employment, however, notice of termination of employment serves as notice of termination of benefits. An employer who fails to give notice of termination of benefits is subject to civil penalty of \$500 per employee who did not receive notice. The Commissioner of Labor shall assess all fines.

This Wednesday, the legislation was further amended to designate the manner in which notice may effectively be accomplished.

Consumer Affairs Subcommittee

There was one bill on the calendar in the **Consumer Affairs Subcommittee**. **HB 2811** (Rep. Dubois) was referred to the full committee. A consumer protection bill, the legislation requires individuals and companies holding seminars to sell revocable living trusts to state in their advertisements "the minimum amount at which an estate must be valued in order to be subject to estate tax[es]". Estates are only subject to estate taxes at the state level if they are valued at \$850,000 and subject to federal taxes if they are valued at \$1,000,000. According to the sponsor, most estates in Tennessee do not meet these levels making revocable living trusts unnecessary. He stated that not only were consumers not informed that their estates did not meet the minimum tax amounts, the companies were often only selling individuals securities and not revocable trusts.

Employee Affairs Subcommittee

In the **Employee Affairs Subcommittee** all bills on the calendar were referred to the full committee. The subcommittee recommended an amendment to **HB 0883** (Rep. Bowers). If amended, the legislation becomes permissive, urging the prevailing wage commission to continue its efforts to develop Internet applications for the submission of survey forms by contractors and periodically updating the general assembly on the progress of such development. **HB 2765** (Rep. Baird) extends protection granted from discharge by employers because of work absences or tardiness due to emergencies, from volunteer firefighter to civil air patrol and volunteer rescue squad members.

The following bills were also referred to the full committee. **HB 3506** (Rep. Davidson) clarifies the

difference between an agricultural worker and a domestic worker for the purposes of unemployment compensation relating to agricultural labor. **HB 3255** (Rep. Jones) prohibits retaliation against employees who report safety violations.

Education

Pam Mason

The Full Committee



The **House Education Committee** met on Wednesday, March 10. The following actions were taken on the committee calendar.

Referred to Calendar and Rules:

HB 2684 - (Curtiss) includes additional medals from a qualifying period of hostility to the present list for survivors' educational benefits:

1. Global War on Terrorism Expeditionary Medal;
2. Air Force Expeditionary Medal; and
3. Combat Medic Badge.

HB 2690 - (Curtiss) lowers the number of semester hours from 150 to 136 for a student to accumulate before losing educational benefits for children of POWs, MIAs, or veterans killed in action.

HB 2691 - (Curtiss) includes step-children in those eligible for waiver of tuition and fees for children of POWs, MIAs, or veterans killed in action.

HB 2685 - (Curtiss) adds Korean war veterans to those eligible to receive a diploma from an LEA when their military service interrupted their education.

HB 2953 - (McKee) exempts educational savings plans from state or local taxation.

HB 3242 - (Patton) clarifies the definition of a campus police officer and allows institutions to set additional

policy for employees holding a police officer's commission.

HB 3066 - (Winningham) allows a child receiving a tuition discount based on a parent being a teacher to continue to receive such if the parent dies while the child is receiving the discount.

HB 3263 - (Winningham) allows TN Technology Centers to fund projects through the TN State School Bond Authority Act, rather than by direct state appropriations or general obligation debt.

Referred to Calendar and Rules as amended:

HB 2635 - (Montgomery) requires LEAs to adopt procedures and policies to promote the involvement of parents in their children's education. The amendment removes the provision that parents may remove a child from any class they deem harmful.

HB 988 - (Maddox) as amended, allows principals to spend money raised by fund-raising events at their discretion, based on policy created by the local school board.

Referred to Finance, Ways and Means:

HB 2652 - (Cooper) grants additional time to special joint committee studying mold abatement from March 1, 2004 to October 31, 2004

Deferred 1 week:

HB 2243 - (Shepard) **HB 2225** - (Maddox)

Deferred 2 weeks:

HB 3264 - (Winningham) **HB 2642** - (Winningham)
 HB 3185 - (Rinks)

The following bills were taken off notice due to the fiscal note. They will be rescheduled for consideration.

HB 2262 - (Cooper) **HB 2646** - (Winningham)
HB 3048 - (Kent) **HB 3340** - (Maddox)
 HB 2960 - (Lynn)

K-12 Subcommittee

The **K-12 Subcommittee** met on Tuesday and took the following actions.

Referred to Full Committee:

HB 3236 - (McKee) adds the Internet to the use of newspapers for advertising the sale of surplus property by LEAs.

HB 3417 - (Sargent) provides a new mechanism for distribution of growth funds to eligible LEAs.

HR 96 - (Cooper) creates a special committee to study the feasibility of certain LEAS to apply for hardship grants to increase ration of social workers to students.

Deferred 1 week:

HB 3523 - (McMillan) **HB 2818** - (Turner, L.)
HB 2628 - (Black) **HB 2819** - (Turner, L.)
HB 2136 - (Crider) **HB 2979** - (Towns)
HB 2607 - (Winningham) **HB 3341** - (Maddox)
HB 2759 - (Towns) **HB 2409** - (Winningham)

Deferred 2 weeks:

HB 3430 (McCord)

Off Notice:

HB 3006 - (Armstrong) **HB 2574** - (Hackworth)

Higher Education Subcommittee

At its Tuesday meeting the following actions were taken in the **Higher Education Subcommittee**:

Referred to Full Committee:

HB 2865 - (Winningham) the proposed amendment rewrites the bill to develop a master plan to better coordinate all levels of education with the economic needs of the state.

HJR 776 - (Cooper) urges TSAC to establish four regional offices, one in each grand division of the state, and a program to disseminate information regarding lottery scholarships and other forms of financial aid and assistance to interested students and parents.

Deferred 1 week:

HB 3001 - (DuBois)

Finance, Ways & Means

Julie Travis

House Finance, Ways, and Means Committee

Tuesday, March 9, 2004

The full committee met on Tuesday to discuss eight bills on the full committee's regular and "Consent" calendars. Six bills (**HB 2555**, **HB 554** (with an amendment), **HB 2975**, **HB 2437**, **HB 2884** and **HB 3286**) were referred on to Calendar and Rules. **HB 3250** (Tindell's §501(c)(3) bill) was deferred until Wednesday's 1:30pm meeting of the full committee. **HB 3399** (Head) was rolled for one week.

HB 2555 (McDaniel) - This bill is a highway sign bill with a permissive local government fiscal impact, designating a segment of US 412 (State Route 20) as "Hearn's Lane".

HB 554 (McMillan, Head) with an Amendment - As amended (*H. FWM Amdt. #1, draft # 012231*), this bill authorizes the Commissioner of Health, in conjunction with the Tennessee Health Care Association, the Tennessee Disability Coalition and the Tennessee Commission on Aging and Disability, to develop a demonstration (*pilot*) project in one nursing home (*in Montgomery County*) to confirm the value of disabled volunteers in long-term care facilities. The effectiveness of such project is to be reported to the Senate and House Health and Human Resources Committees no later than March 1, 2006.

HB 2975 (J. DeBerry) - This bill allows Shelby County to collect the \$2.50 fee (instead of the current \$1.50 collected) that the rest of the state collects through county clerks' offices, when issuing, transferring, and accepting for surrender certificates of motor vehicle registration and registration plates. Shelby County currently pays \$1.50. (*The bill would affect only Shelby County.*)

HB 2437 (Litz) - This bill, as amended, renames the agricultural extension service of the University of Tennessee to the University of Tennessee Extension and the costs associated with changing the name, i.e., sign replacement, letterheads, and business cards, must be made out of the existing budget.

HB 2884 (Coleman) - This bill, as amended, creates an offense for a person to knowingly operate an audiovisual recording function of a device where a motion picture is being exhibited for the purpose of recording a theatrical motion picture without the consent of the owner or the lessee of such facility and the licensor of the motion picture. It also clarifies that the operator of a motion picture facility, licensor of a motion picture, merchant, or law enforcement officer would not be criminally or civilly liable for any legal action relating to the detention, questioning, or arrest of an individual who unlawfully records a motion picture if (1) there is probable cause to suspect that the person committed or is attempting to commit a violation; (2) such individuals act reasonably under the circumstances; and (3) the suspect is detained for a reasonable period of time. The violation would be punishable as a Class A misdemeanor.

HB 3286 (Head) - This bill provides for the Comptroller of the Treasury to establish a pilot program for assessing leased tangible personal property to the owner/lessor rather than the lessee. It also specifies that participation by owners/lessors is voluntary, and authorizes the Comptroller to assess a fee to defray cost of administration. It also specifies that participants may be permitted to claim the business tax credit for property taxes paid.

The committee also continued on Tuesday with Budget Hearings by reviewing the Dept. of Finance and Administration's budget. The summary of the Department's budget hearing will be included in the March 18th edition of *The Research Review*.

Wednesday, March 10, 2004

The full committee took up **HB 3250 (Rep. Tindell's "Tennessee Charitable Gaming Implementation" bill)** during its 1:30 pm meeting on Wednesday, March 10, 2004, and after much discussion, the committee amended the bill and rolled it until Thursday's meeting.

The Budget Hearings scheduled for Wednesday, March 10 2004 (Commission on Aging, TennCare, TennCare Oversight, Mental Health and Developmental Disabilities, and the Finance and

Administration Division of Mental Retardation Services), were rescheduled for after session on Thursday, March 18th due to extensive debate on HB 3250 which took place on Wednesday afternoon's committee meeting.

***Budget Hearings
For Wednesday,
March 10th Have
Been Rescheduled
For March 18th.***

Budget Subcommittee **Wednesday, March 10, 2004**

The Budget Subcommittee of the House Finance, Ways, and Means Committee met to discuss 23 bills on the regular subcommittee calendar this week and six on the addendum.

Actions of the Budget Subcommittee are as follows:

HB 2169 and **HB 2522**, both by **Rep. M. Turner**, will be placed on the special calendar dealing with Military tax exemptions. **Rep. McDonald's HB 2140**, **Rep. Armstrong's HB 3079**, and **Rep. Harmon's HB 2267** were placed behind the budget. **Rep. L. Miller**

requested to have **HB 2058** withdrawn from the committee.

Action was deferred for one week on the following bills: **HJR 868 (Dunn)**, **HB 3544 (McMillan/L. Miller)**, **HB 3529 (McMillan)**, **HB 3530 (McMillan)**, **HB 3480 (McMillan)**, and **HB 3527 (B. Cooper)**. Additionally, the budget subcommittee adopted amendments on the following four bills prior to deferring action on them for one week: **HB 2228 (Dunn)**, **HB 3546 (McMillan / Head)**, **HB 2880 (Hood)**, and **HB 3532 (McMillan/Shaw/Naifeh)**.

HB 253 (Stanley), **HB 2510 (Miller L)**, and **HB 3229 (West)** were deferred for two weeks. Action on both **Rep. Fitzhugh's HB 1567** and **Rep. Matheny's HB 2146 (SB 2074)** was deferred for four weeks. **HB 2176**, by **Rep. M. Turner**, and **HB 2265**, by **Rep. L. Miller**, were placed on the Committee's last calendar.

The following bills were sent to Full Committee:

HB 3175 (McMillan/Head) - As amended, this bill allows each county election commission, in coordination with the State Election Commission, to develop an Internet-based electronic filing process. The system would be used by all candidates for local public office and all political campaign committees for a local election in such county or in the municipalities located in such county that are required to file statements and reports with such county election commission. If a county election commission decides to develop such an Internet-based electronic filing process, any and all costs for such development and Internet posting shall be an expenditure of such county election commission. Currently, the Registry of Election Finance has jurisdiction over all campaign financial disclosure issues.

HB 233 (Bone) - This bill, as amended, creates the Tennessee National Guard Tuition Assistance Program to provide members of the Tennessee National Guard with the opportunity to attend a state educational institution without having to pay tuition. Under this program, the Military Department would provide 25% of tuition funding and the federal government would provide the remaining 75%. The total cost in-state dollars is reflected in the Governor's budget as a recurring appropriation of \$445,800.

HB 3289 (Head) - As amended, this bill includes in the definition of real property for the purposes of property taxation: structures related to railroads, telephone poles and lines, energy related pipelines, structures on the water, and structures connected with providing utility

service. This bill clarifies the legislative intent that this property (buried underground structures or those structures affixed to land) was always intended to be treated as real property for taxation purposes.

HB 2830 (Hood) - This bill, as amended, requires state employed fire prevention and building officials to be certified by the State Fire Marshal to the same degree as municipal and county fire prevention and building officials. It also requires the State Fire Marshal to accept certification from the National Fire Protection Association to satisfy certain standards, and removes the exception that certain experienced municipal and county building inspectors do not have to be certified.

HB 2274 (Brooks, Knox) - As

amended, this bill enacts the "State Park Funding Act of 2004." The bill specifies that it is the intent of the legislature that fee based operations in state parks, such as marinas, golf courses, campgrounds, and resorts are self-sustaining by fiscal year 2007-08. The bill also authorizes all fees collected by park facilities to be deposited in a dedicated park fund.



Rep. Brooks

HB 2212 (Wood) - As amended in House Transportation, this bill increases the fee paid to county clerks for titling a motor vehicle from \$3.00 to \$5.50, and extends the mandatory reporting on the developmental progress of the Titling and Registration Computer System to June 30, 2006.

Government Operations

Kristina Ryan

The Government Operations Committee met at 10:30 Tuesday morning to consider eighteen pieces of legislation. **HB 3361** (Rep. Curtiss) was rolled for one week, **HB 1208** (Rep. DuBois) was rolled for one week and **HB 2330** (Rep. Brooks)(Shelby) was rolled for one week. The Government Operations Committee is charged with reviewing legislation for rulemaking, occupational licensing and entity composition.

The committee referred **HB 2507** by Representative Clem to the Ad Hoc Committee on Worker's Compensation for review. This legislation would abolish the Advisory Council on Workers' Compensation and turn this entity into an unofficial advisory council.

HB 2694 by Representative Armstrong was reviewed and referred to the Health and Human Resources Committee. This bill would provide for a standard form for written prescriptions issued by physicians and require that these prescriptions be legible and comprehensible to a pharmacist.

HB 2515 and **HB2843**, both by Representative Pinion, were reviewed and sent to the Health and Human Resources Committee. These two bills are identical, and they would create the position of radiology assistants. The Board of Medical Examiners would set the rules and regulations for the scope of this practice.

The committee referred **HB 2886** by Representative McCord to the Agriculture Committee. This legislation would create the "Horse Industry Promotions Act", which would call for a referendum among horse owners to determine if they would support an increase of \$.05 per fifty pounds of commercial horse feed. If the referendum prevails, the proceeds would go to the Tennessee Horse Council to provide for educational programs, advertising and overall promotion of the Tennessee horse industry. This bill would create a new council if the referendum were adopted and the Commissioner of Agriculture would promulgate the rules. An amendment was placed on the bill that would add a sunrise provision with a two year re-authorization. Another amendment was placed on the bill to correct a typographical error in Section 7.

HB 2327 by Representative McDonald was reviewed and referred to the Conservation and Environment Committee. This bill would establish the Tennessee Water Resource Development Agency, a revolving fund for rural water supply. This legislation was the result of the rural water study committee.

HB 2725 by Representative Sherry Jones was reviewed by the committee and sent to the Children and Family Affairs Committee. This bill would extend the existence of the Select Committee on Children and Youth until 2008.

The committee referred **HB 3469** by Representative McMillan to the Judiciary Committee. The "Anti-Spam Act of 2004". Similar to the "Do-Not-Call" Registry, this legislation applies to unsolicited email advertising. This bill will codify the federal CAN-SPAM Act into

state law. The Tennessee Regulatory Authority will have rulemaking authority over this bill.

HB 3500 by Representative Lois DeBerry was reviewed referred to the Health and Human Resources Committee. The "Minority Health Act of 2004" is part of the Administration's legislative agenda for this session. This bill would create the Office of Minority Health within the Department of Health. The Commissioner of Health would be authorized to appoint an advisory council in order to assist the office.

HB 3488 by Representative Hargrove was reviewed and sent to the Health and Human Resources Committee. This legislation is another piece of the Governor's legislative package. Under this legislation, an applicant would be required to pass the United States Medical Licensing Examination within seven years of successfully completing step one of the examination. The Board of Medical Examiners would have the rulemaking authority and can create exceptions to the seven year rule.

The committee referred **HB 3463** by Representative McMillan to the Health and Human Resources Committee. This legislation would authorize a dentist to transfer certain dental tasks to a dental hygienist or dental assistant. In addition, this bill would clarify that the Board of Dentistry or a panel of licensed dentists would take action on disciplinary cases. The bill carries a report recommending an amendment to provide that a disciplinary action occur only when a majority of dentists on the Board vote to do so rather than just a majority of the quorum present.

Sunset Extensions

HB 2450 (Kernell)- Re-authorize Sex Offender Treatment Board - June 30, 2010.

HB 2484 (Kernell)- Re-authorize Center for Earthquake Research and Information - June 30, 2006.

NOTE: An amendment was added to this bill that would extend this entity for four years instead of two years; this amendment was originally adopted in the Senate.

HB 2496 (Kernell) - Re-authorize Southeast Interstate Forest Fire Protection Compact - June 30, 2010.

HB 2496 (Kernell) - Re-authorize Public Health Emergency Advisory Committee - June 30, 2008.

Joint Committee/Rules Review

The Joint Government Operations Committee met Monday afternoon for a rules review meeting. Among

the rules that were approved included new parking rules for the University of Tennessee at Martin, capturing and transporting wildlife for the Tennessee Wildlife Resource Agency and international exchange teachers and apprentice teachers for the State Board of Education. Also approved were new rules for the Board of Examiners in Psychology, the Board of Medical Examiners Advisory Committee for Acupuncture and the Board of Veterinary Medical Examiners. The committee heard testimony from the Department of Education on proposed new rules on charter schools but the Department delayed the rules for 30 days.

**Sunset Hearing
on Dept. of
Children's
Services Audit:
March 15th
2:00 pm**

* The General Welfare, Health and Human Services sub-committee of Joint Government Operations will hold the sunset hearing on the Department of Children's Services audit next Monday, March 15th at 2:00pm in LP14.

Health & Human Resources

Judy Narramore

Full Committee

The **Health & Human Resources Committee** met at noon on Tuesday, March 9, 2004, to consider eight bills. **HB 0791** by Rep. Buttry that would require the Division of Mental Retardation Services to pay direct care providers equally, whether services are provided by direct care professionals in contract community agencies or state employees working in state developmental centers, was referred to FW&M. **HB 3283** by Rep. Odom that requires home care organizations that establish hospice services to obtain a certificate of need was referred to C&R. **HB 3083** by Rep. B. Turner that would allow a registered nurse employed by a Program for All-Inclusive Care for the Elderly (PACE) to make the determination and pronouncement of death of a patient of PACE when the death was anticipated and the attending physician has agreed to sign the death certificate was referred to C&R. Rep. Armstrong rolled **HB 3344** (regulation of leisure pools) and **HB 3134** (joint annual report by hospitals) one week.

Three fire safety bills were considered by the committee; two were referred. **HB 3415** by Rep. Curtiss that requires nursing homes without sprinklers to install smoke alarms in every patient room within 90 days of the effective date of the bill, and further, to submit a plan within 6 months or 11 months, depending on the physical layout of the facility, for installing sprinklers was referred to FW&M. **HB 2392** by Rep. Curtiss as amended was referred to FW&M. The amended bill requires and staggers installation requirements for sprinklers in nursing homes depending on the physical layout of the facility. **HB 2554** by Rep. Overbey as amended that codifies existing rules language related to smoke detectors for residential homes for the aged and assisted care living facilities and requires and staggers installation requirements for sprinklers in these same facilities was discussed and ultimately rolled one week for consideration of an amendment offered today by Rep. J. DeBerry.

After completing the calendar, the committee heard testimony concerning hospice waivers issued by the Department of Health, Division of Health Care Facilities, for residents who live in assisted care living facilities and need the services of hospice.

Mental Health Subcommittee

Tuesday afternoon, the **Mental Health Subcommittee** had seven bills on calendar. Two bills were referred to full committee. **HB 1751** by Rep. Maddox as amended would expand the exemptions to the nurse practice act to allow properly trained persons to assist persons with developmental disabilities or mental retardation with self-administration of noninjectable medication in facilities under contract with the Department of Mental Health & Developmental Disabilities, Department of Finance & Administration, or Division of Mental Retardation Services. **HB 3088** by Rep. Maddox authorizes the Commissioner of Mental Health & Developmental Disabilities to create and administer a pool of funds to be used to make special payments to service providers outside the capitation payments made by TennCare Behavioral Health Organizations. The bill is subject to funding in the General Appropriations Act.

Three bills were rolled one week: **HB 3515** by Rep. McMillan, Rep. Fowlkes (mental health residential treatment facilities); **HB 3516** by Rep. McMillan, Rep. J. DeBerry (Title 33 "clean-up"); and, **HB 3347** by Rep. L. DeBerry (*Olmstead* decision). The remaining two bills on calendar, **HB 3162** by Rep. Shaw and **HB 1900** by

Rep. McCord, were taken off notice by the respective sponsors.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met Wednesday morning, March 10, 2004, to consider 24 bills. Four bills were referred to full committee. **HB 2708** by Rep. Cochran authorizes the Medical Laboratory Board to promulgate continuing education requirements for medical laboratory personnel and special analysts. **HB 3302** by Rep. Black as amended prohibits any person not licensed as a physician, osteopathic physician, or oral-maxillofacial surgeon from performing "tongue splitting." A first violation would be a Class A misdemeanor and a second or subsequent violation would be a Class E felony. **HB 3303** by Rep. Black restricts use of the title *nurse* to persons licensed as a registered nurse or licensed practical nurse. **HB 3489** by Rep. McMillan, Rep. Shepard amends the Dental Practice Act to allow public health nurses or nurse practitioners to apply fluoride varnish to the teeth of at-risk underserved persons seen in public health clinics.

HB 2737 by Rep. Bunch was discussed at length, including testimony from the Department of Health, and ultimately rolled one week for further review and discussion with the Board of Medical Examiners. **HB 2737** requires physicians who refer patients to facilities in which the physician has a financial interest to provide written disclosure to the patients and provides for a cause of action under the Tennessee Consumer Protection Act for failure to comply with the disclosure requirements. **HB 3346** by Rep. Maddox that allows podiatrists to perform ankle surgeries in a JCAHO-accredited hospital or ambulatory surgical treatment center was presented and subsequently rolled one week for further discussion and amendatory language to correct a typographical error in the printed bill. Rep. Davis rolled **HB 2582** (practice of orthotics or pedorthics) one week. Rep. Odom rolled **HB 3282** (authorizes psychologists to prescribe and dispense drugs) one week. Rep. Buttry rolled three bills one week: **HB 0771** (Patient Hearing Health Improvement Act), **HB 0773** (RN pronounce death), and **HB 1419** (Patient Hearing Health Improvement Act). The remaining 13 bills on calendar were taken off notice by the respective sponsors.

Public Health & Family Assistance Subcommittee

Wednesday morning, the **Public Health & Family Assistance Subcommittee** had 52 bills on calendar. Four bills were referred to full committee. **HB 2350** by Rep. Briley provides for a \$50 personal needs allowance for low-income long-term nursing home patients. The costs of increasing the personal needs allowance from the current \$30 rate are to be offset by reducing payments to long-term care facilities for items unrelated to quality of care. **HB 2957** by Rep. Lynn prohibits new hires or existing employees of a child care center from serving as a driver until the employee has undergone a drug test and received a negative result. **HB 2971** by Rep. L. DeBerry requires the Shelby County medical examiner to be appointed by the county mayor from a list of two doctors of medicine or osteopathy nominated by a convention of the physicians. **HB 3030** by Rep. L. DeBerry as amended increases the number of members serving on the Health Services and Development Agency from 9 to 10. The additional member must be a representative of the home care industry, nominated by the Tennessee Association of Home Care.

Rep. Rowland offered an amendment today that rewrites **HB 1485** (barbers and cosmetologists) and then rolled the bill one week. Rep. Cooper offered an amendment today to **HB 2656** (dental and vision screening) and then rolled the bill one week. Rep. Shepard discussed **HB 3095** (maximum allowable cost list), offered an amendment that removes the fiscal note, and then rolled the bill one week.

Rep. Cooper presented **HB 2810** concerning disability determination for TennCare. The bill was rolled one week for consideration of amendatory language that would address Rep. Cooper's Memphis Area Transit Authority issue. Rep. Shepard discussed **HB 3374** concerning an outreach program to educate and inform low-income and TennCare recipients regarding the availability of discount prescription drug programs and then rolled the bill one week for consideration of amendatory language. Rep. Pruitt discussed **HB 2756** and **HB 2757** (both relative to agencies serving the elderly and disabled) and then rolled these bills two weeks for consideration of the administration's intent on this issue.

The following bills were **rolled one week**: HB 1060, HB 1169, HB 1171, HB 1926, HB 2193, HB 2323, HB 2922, HB 3003, HB 3015, HB 3026, HB 3106, HB 3310, HB 3314, and HB 3533. The following bills were **rolled two weeks**: HB 0975, HB 1785, and HB 1889. The following bills were **rolled to "last calendar"**: HB 1295, HB 2712, HB 2727, and HB 3244. The remaining

20 bills on calendar were taken off notice by the respective sponsors.

Health Care Facilities Subcommittee

The **Health Care Facilities Subcommittee** met Wednesday afternoon to consider 28 bills. One bill was referred to full committee. **HB 2249** by Rep. Curtiss as amended allows the Department of Health to investigate a home for the aged, assisted care living facility, or alcohol and drug treatment center that is alleged to be operating without a license.

The following bills were **rolled one week**: HB 1223, HB 1387, HB 1390, HB 1864, HB 2557, HB 2949, HB 3449, and HB 3450. The following bills were **rolled two weeks**: HB 0530, HB 0608, HB 1591, HB 2376, HB 3248, and HB 3471. The following bills were rolled to "**last calendar**": HB 2215 and HB 3045. The remaining 11 bills on calendar were taken off notice by the respective sponsors.

Judiciary

Paige Edwards

Criminal Procedure & Practice Subcommittee

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider 13 bills. HB 3053 by Representative Newton was taken off notice. HB 3398 by Representative Newton was rolled for two weeks. HB 3391 by Representative Briley, HB 2653 by Representative Cooper, HB 2777 by Representative Buttry, and HB 1254 by Representative McMillan were rolled for one week.

The following seven bills were approved for passage and referred to the full committee:

- **HB 2850** by Representative Cochran creates the "Rachel Clawson Act of 2004." This bill revises the definition of vehicular homicide and creates a Class D felony when vehicular homicide is the proximate result of failure to exercise due care in a construction zone or a school safety zone.
- **HB 2263** by Representative Cooper, as amended, states that court clerks have five years to collect on

bail bond judgments. Under present law, other judgments are valid for ten years after execution.

- **HB 2218** by Representative Fowlkes, as amended, authorizes a restricted driver license to include going to and from college, a court ordered alcohol program, and interlock meetings. As amended, a person would have two options to apply for a restricted driver license. The person could apply to a court in the county of residence or to the court that suspended the driver license. The ad hoc committee on issues involving alcohol and citizen responsibility recommended HB 2218 for passage.
- **HB 2877** by Representative Bunch authorizes veterinarians to dispense tranquilizers to law enforcement officers for the purpose of tranquilizing animals as necessary to prevent immediate peril to human life or property. The dispensing veterinarian and the law enforcement agency would maintain detailed records related to dispensing, possessing, and using the tranquilizers.
- **HB 2878** by Representative Bunch creates a Class E felony for impersonating a law enforcement officer. Also, the offender would be civilly liable for damages proximately related to impersonating a law enforcement officer. If the criminal impersonation was committed to falsely obtain a driver license or photo identification license, a \$500.00 fine would be imposed.
- **HB 2879** by Representative Bunch, as amended, revises the present law related to cruelty to animals. This bill creates a Class D felony for harming a police dog. For the purpose of punishing a person for the intentional killing of a police dog, this bill specifies that a police dog would be worth at least \$1,000.00.
- **HB 3397** by Representative Stanley revises the present law for especially aggravated burglary. Under this bill, especially aggravated burglary includes a situation in which the perpetrator entered the habitation or building while in possession of a deadly weapon.

Constitutional Protections Subcommittee

On Tuesday, the **Constitutional Protections Subcommittee** met to consider two bills. HB 2775 by Representative Buttry was rolled for one week.

HB 3528 by Representative West was approved for passage and referred to the full committee. HB 3528, as amended, authorizes the department of safety to commission homeland security officers as peace officers for the Office of Homeland Security. Officers who

directly support state, federal, and local law enforcement activities involved in countering or responding to terrorist acts would be eligible for commission. The commissioned officers would obtain all the powers of a peace officer, including the power to make arrests, serve process, and carry weapons. When the Office of Homeland Security no longer requires the services of the commissioned officers, it shall file a notice with the department of safety for the powers of such officers to cease and terminate.

Judicial Administration Subcommittee

On Tuesday, the **Judicial Administration Subcommittee** met to consider ten bills. HB 1924 by Representative Bunch was rolled for two weeks. HB 3423 by Representative Fowlkes, HB 3541 by Representative Sontany, and HB 3034 by Representative Brown were rolled for one week.

The following six bills were approved for passage and referred to the full committee:

- **HB 3440** by Representative Davidson deletes the provision in the code that authorizes general sessions judges in Robertson County to appoint persons to serve as court officers. As a result, the sheriff would be required to attend all courts in Robertson County.
- **HB 76** by Representative Buck, as amended, increases the salaries for assistant public defenders. Under this bill, entry level salaries would increase to \$38,124. Also, this bill increases the salaries of assistant public defenders for every year of experience in the position. The amendment to this bill aligns the assistant public defenders salaries with the proposed legislation to increase the salaries for assistant district attorneys general.
- **HB 131** by Representative Buck increases the number of assistant public defender positions for each judicial district. The additional positions are supported by the Weighted Caseload Study.
- **HB 3073** by Representative Fowlkes authorizes the attorney general to designate an investigator, who meets the peace officer standards and training commission standards, to act



Rep. Buck

with the same authority as a district attorney criminal investigator in connection with criminal matters for which the attorney general has jurisdiction. The designation would be made upon consent of the district attorney general. The majority of criminal cases investigated by the attorney general investigator would involve environmental and consumer protection issues.

- **HB 2353** by Representative Overbey requires the court clerks to charge a \$2.00 data entry fee for each party in a case or each delinquent in a delinquent tax lawsuit. The fee would offset computer costs that are associated with TnCis. Also, this bill requires the judicial council to appoint a committee to study court costs and to make recommendations on how to make court costs more uniform. The report would be submitted to the general assembly by January 17, 2005.
- **HB 2338** by Representative Bowers provides that the administrative office of the courts create and maintain a registry of credentialed court interpreters of spoken foreign languages. The registry would be posted on the website that is maintained by the administrative office of the courts.

Civil Procedure & Practice Subcommittee

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 26 bills. The following three bills were approved for passage and referred to the full committee:

- **HB 761** by Representative Todd, as amended, increases the fine for failure to provide evidence of financial responsibility (insurance) for a vehicle. The fine would be \$500.00 for the first offense and \$1,000.00 on the second or subsequent offense. Under present law, an individual is fined \$100.00.
- **HB 2145** by Representative Davidson, as amended, revises the present law related to landowner liability. Under this bill, a landowner, who accepts payment for use of his or her property, would not be liable for injuries sustained by a person who enters or uses the land for recreational or educational purposes. Although, the landowner would be liable if the payment exceeds more than 20 times the previous year's property tax assessment. This bill deletes the present law provision relating to landowner liability for injuries caused by a third person. Also, this bill deletes the present law provision concerning written waivers of liability for the recreational use of property.

- **HB 3360** by Representative DuBois revises the law concerning shooting ranges. Under this bill, a person who operates or uses a shooting range would not be subject to civil liability or criminal prosecution for noise or noise pollution, nuisance, or any other claim not involving physical injury to another human if the shooting range complies with local noise control laws, ordinances, resolutions, or regulations. Also, this bill prohibits amending, restricting, or terminating the operation of a shooting range due to a change of circumstances regarding the use of adjacent or surrounding properties.

The remaining bills on the calendar were rolled for one week.

The Full Judiciary Committee

On Wednesday, the full **Judiciary Committee** met to consider 28 bills. HB 2796 by Representative Curtiss was rolled for two weeks. The following 18 bills were rolled for one week: HB 2595 by Representative Curtiss, HB 1219 by Representative Turner (Davidson), HB 2356 by Representative Johnson (Loudon), HB 3403 by Representative Hargrove, HB 2661 by Representative Briley, HB 2659 by Representative Briley, HR 242 by Representative Fowlkes, HR 243 by Representative Fowlkes, HR 244 by Representative Fowlkes, HB 2399 by Representative Wood, HB 2258 by Representative Briley, HB 2581 by Representative Davis, HB 2781 by Representative Todd, HB 743 by Representative Fowlkes, HB 2637 by Representative Bunch, HB 2859 by Representative John DeBerry, HB 2935 by Representative Rinks, and HB 2290 by Representative Coleman.

The full committee referred **HB 2753** by Representative Vaughn and **HB 2439** by Representative Litz to **Calendar & Rules**.

HB 2753, as amended, creates the "Robert 'Robbie' Nottingham Campus Crime Scene Investigation Act of 2004." This bill requires local law enforcement and campus security to jointly investigate alleged rapes or deaths that occur on a college campus. In the case of a medically unattended, death, the local law enforcement agency would lead the investigation. In the case of an alleged rape, the college's law enforcement agency would lead the investigation. A knowing violation of the provisions contained in this bill would be punishable as a Class C misdemeanor.

HB 2439 transfers juvenile court clerk duties from Hamblen County juvenile court to the clerk of the

Hamblen County general sessions court or the clerk and master. The transfer would occur no later than July 1, 2006.

The following seven bills were approved for passage and referred to **Finance, Ways, & Means**:

- **HB 2651** by Representative Brooks (Shelby), as amended, creates a pilot project for the Tennessee Highway Patrol to participate in a racial profiling study. The comptroller would provide a form to be used by highway patrolmen when traffic stops occur. The highway patrol would submit this data to the comptroller on a monthly basis, beginning no later than February 1, 2005. The comptroller would report the results of the pilot project to the governor and general assembly no later than April 1, 2006. The pilot project would be in effect until July 1, 2006.
- **HB 2343** by Representative Ferguson, as amended, establishes the "Elder Protection Act of 2004." This bill provides standards for detaining individuals who are charged with elder abuse. Also, this bill addresses issues related to financial institutions that act as trustees. Furthermore, this bill requires doctor offices, health care facilities, senior centers, community centers, and pharmacies to post contact information for reporting elder abuse, neglect, or exploitation.
- **HB 2271** by Representative John DeBerry, as amended, revises the present law relating to theft of trademarks or logos. This bill revises the definition of intellectual property. Also, this bill decreases the number of counterfeit items possessed by a counterfeiter to show intent to sell or distribute such items. Under this bill, the punishment for selling counterfeit items would be punishable as theft and graded according to the law. Under present law, counterfeiters are only fined.
- **HB 3453** by Representative McMillan, as amended, provides that up to \$3,500.00 from the criminal injury compensation fund may be utilized by family members of victims for mental health counseling.
- **HB 3379** by Representative Coleman allows the private sector and non-criminal justice agencies to purchase criminal history information from the TBI. The TBI would charge \$29.00 per record for criminal history information. These fees would be used to offset expenditures related to the TBI's operational costs.
- **HB 3468** by Representative McMillan, as amended, increases the salaries for assistant district attorneys general. Under this bill, entry level salaries would increase to \$38, 124. Also, this bill increases

salaries of assistant district attorneys general for every year of experience in the position.

- **HB 3429** by Representative Fowlkes increases the number of assistant district attorneys general in certain judicial districts. The bill proposes 46 new positions statewide. The new positions are based upon statistical information collected from the Weighted Caseload Study.

Joint Ad Hoc Committee on Methamphetamines & Related Offenses

On Monday afternoon, the joint ad hoc committee on methamphetamines and related offenses met to consider issues that are contained in pending legislation. The committee heard testimony from Dr. Sullivan Smith and District Attorney General William E. Gibson from the 13th judicial district. The committee discussed what issues should be addressed, including an examination of the existing criminal laws and prioritizing criminal offenses. The committee did not have time to consider bills this week. The committee intends to consider legislation next week.

Joint Ad Hoc Committee on Issues Involving Alcohol & Citizen Responsibility

The joint ad hoc committee on issues involving alcohol and citizen responsibility will meet on Wednesday, March 17, 2004 in Lt. Governor Wilder's Conference Room (1 LP) at 1:30 p.m. The committee will consider the following bills:

- **HB 2612** by Representative DuBois
- **HB 3354** by Representative Buck
- **HB 2701** by Representative Ferguson
- **HB 3268** by Representative Cochran
- **HB 2199** by Representative Sontany

State & Local Government

Lawrence Hall, Jr.

(Compiled this week by Denise Sims)

The Full Committee

The **State and Local Government Committee** met Tuesday afternoon to take up 29 bills on the calendar.

Passed to **Calendar and Rules**:

- **HB 3462** (Rep. McMillan), with local approval, permits the Montgomery County trustee to continue to collect delinquent property taxes under an agreement with the court clerk until the property has been sold.
- **HB 3179** (Rep. McMillan) designates Capitol Hill parking spaces for staff.
- **HB 3460** (Rep. McMillan) makes revisions to election laws.
- **HB 2709** (Rep. Maddox) requires a county election commission to conduct supplemental voter registration at group naturalization ceremonies in that county.
- **HB 3285** (Rep. Head) updates financial statement terminology relating to water and wastewater facilities, utility districts and emergency communications districts. It alters the method of determining whether such systems or districts are operating at a deficit or are financially distressed. An amendment clarifies technical corrections.
- **HB 2538** (Rep. Hargrove) allows a county to redesignate, by private act, the county mayor as county executive.
- **HB 3304** (Rep. Overbey) exempts library books, recordings and other surplus, obsolete or unusable county property from requirements that such property must be sold at public auction or by sealed bid, and allows the sale of such property. An amendment calls for public notice of when the sale occurs.
- **HB 2203** (Rep. Stanley) increases the time from two years to four years in which municipalities may invest funds.



Rep. Stanley

- **SJR 0011** (Rep. Hood) urges the

Secretary of State to include the official state declamation in future editions of the Blue Book.

- **HB 3355** (Rep. Buck) provides for members to be added to the board of commissioners in a multi-county utility district whose principal office is located in DeKalb County. Each addition to the board would be based on the number of customers in a county in the service area, but other than the county in which the principal office is located. Two amendments follow the bill, but will be combined.
- **HB 2901** (Rep. Buttry) will include counties having a charter form of government in the category of Class B counties for regulating beer. An amendment makes the bill.
- **HB 2063** (Rep. Hensley) revises the manner of filling vacancies on a water utility district board with less than

1600 subscribers in Lawrence County. An amendment follows the bill.

- **HB 3254** (Rep. Rinks) requires state agencies to give preference to state agricultural products during purchasing when cost and quality are equal..
- **HB 2930** (Rep. Rinks) prohibits the transferring of funds from a candidate's local campaign fund to such candidate's fund for general assembly or governor.

Passed to **Finance, Ways and Means**:

- **HB 3459** (Rep. McMillan) authorizes the Montgomery County Community Development Agency to serve as the housing authority for the purposes of redevelopment projects.
- **HB 3457** (Rep. McMillan) puts in place a feasibility study of an improved compensation system for state employee classifications with findings to be reported by February 1, 2005. An amendment specifies correctional officers.
- **HB 3451** (Rep. McMillan) repeals current law on notification to candidates when there is public inspection of their campaign finance statements. It also repeals the requirement of identification verification of the inspector.
- **HB 3392** (Rep. Head) appropriates a sum sufficient to extend a 4½% pay increase to state employees not affected by mandated increases pursuant to a statutory salary plan.
- **HB 2874** (Rep. McCord) expands the types of improvements that municipalities may finance to include undergrounding of electrical and other utility cables, including streetscape improvements.
- **HB 2502** (Rep. Langster) renames the Middle Tennessee Reception Center in honor of Charles B Bass.
- **HJR 0818** (Rep. Rinks) proposes to amend the State Constitution relative to the consolidation of municipal and county governmental functions. It would require only a majority vote of those voting in the election, instead of a majority vote within the municipality and a majority vote within the county outside of the municipality to approve the change.
- **HB 2936** (Rep. Rinks) provides for a limited constitutional convention relative to the consolidation of local governments.
- **HB 3092** (Rep. Rinks) raises the governor's salary of \$85,000 equal to the salary of the Chief Justice of the Supreme Court, currently \$123,684. An amendment clarifies the effective date.

HB 2512 (Rep. McKee), HB 2760 (Rep. Crider), HJR 0835 (Rep. Rinks), HB 2864 (Rep. Miller) and HB 2875 (Rep. U. Jones) were rolled one week. HB 1472 (Rep.

Briley) was re-referred to the Local Government Subcommittee.

State Government Subcommittee

The **State Government Subcommittee** met Tuesday morning and sent **HB 2625** (Rep. Dunn), **HB 2322** (Rep. Hargett), **HB 3047** (Rep. Windle), **HB 3255** (Rep. Rinks), and **HJR 0839** (Rep. Rinks) to the full committee.

HB 2625 by Rep. Dunn requires the Fiscal Review Committee to review all state contracts exceeding their original bid by 10%. An original amendment to the bill called for the Fiscal Review staff to look at the contracts and then determine which ones will go before the Committee. Rep. Ulysses Jones asked why they could not review every contract that was over 5%, and if all such contracts could go before the Fiscal Review Committee instead of ones selected by staff. The bill now goes to the full committee, as amended. **HB 2322** by Rep. Hargett prohibits reimbursement of air fare in excess of standard coach fare for state employees, officials, officers or state university employees or officials. **HB 3047** by Rep. Windle expresses legislative intent to formulate and put in place a salary policy for correctional officers. The bill may be combined with Rep. McMillan's bill sent by the full committee this week to Finance. **HB 3255** by Rep. Rinks designates the Tennessee River Freshwater Pearl Farm and Museum in Benton County as the official site of Tennessee freshwater pearl culturing. **HJR 0839** by Rep. Rinks names "National Marina Day" in August.

The subcommittee sent **HB 2282**, **2283** and **2278** by Rep. Casada to Lottery Oversight. The bills deal with responsible gambling messages, assistance for compulsive gambling, and warning messages on tickets and in the media.

The remainder of the bills on calendar were rolled. HB 2508 and HB 3478 were taken off notice.

Local Government Subcommittee

Local Government Subcommittee sent **HB 0226** by Rep. Hackworth and **HB 3099** by Rep. U. Jones to full committee this week. **HB 0226** authorizes locals to implement a deferral program of real property tax payments attributed to the increase in value due to renovation of older residences. An amendment follows the bill. **HB 3099** authorizes alcoholic beverage retailers

to conduct consumer educational sampling and tasting on the premises of the retailer under certain circumstances. Three amendments on the bill deal with ABC enforcement, designated servers and the exclusion of Tennessee wineries from the bill.

All other bills on the calendar were rolled, including HB 2435 by Rep. Litz. The bill expands the municipal electric system cable pilot program. It was rolled one week for members to look at the amendment put on the bill.

Elections Subcommittee

Elections Subcommittee had six bills on calendar this week. **HB 0857** (Rep. Brown) passed to full committee with an amendment. The bill removes the requirement that financial disclosure statements be notarized before being submitted to the registry of election finance. **HB 2926** (Rep. Rinks) also moved to full committee. It requires municipalities to move the date of their local elections to coincide with the regular November general elections, with implementation by November 2010.

In other action, HB 2729 failed in committee. HB 2423, HB 2587 and HB 3260 were rolled one week.

Transportation

Greg E. Adkins

Full Committee

*Reps. Godsey, Davis and Cochran
of the Transportation Committee*

The full committee met on Wednesday, March 10, 2004, and considered seven bills. **HB 3411** by Rep. Walker--"Raymond Shadden Memorial Highway" sign near Crossville. The amended bill implements stricter standards to be eligible for a handicapped parking decal. The bill states that a person will have to be "so ambulatorily disabled that he or she cannot walk 200 feet without stopping to rest." The amended bill also increases the fine for unauthorized use of handicapped parking from a misdemeanor punishable by a fine of \$100 to a Class A misdemeanor punishable only by a mandatory fine of \$1,000. **HB 3519** by Rep. McMillan & Rep. Harmon passed to full committee. The bill would allow the Commissioner of the Department of Safety to require payment of fuel taxes to be paid by cash, money order, certified check, or cashier's check. **HB 2601** by Rep. Godsey passed to full committee. The bill would allow any motor vehicle officer investigating a motor vehicle accident to have the parties involved exchange insurance information. **HB 3518** by Rep. McMillan & Rep. Borchert passed to full committee. The bill removes the debossed or embossed requirement for license plates.



The following bills were rolled:

1. **HB 2151** by Rep. Walker--"Raymond Shadden Memorial Highway" sign near Crossville.
2. **HB 2563** by Rep. Winningham--"Big South Fork Parkway" sign in Scott and Campbell Counties.
3. **HB 3098** by Rep. DuBois--"Charles C. Beard Memorial Bridge" sign in Maury County.

4. **HB 3097** by Rep. DuBois--"Nathan Odom Memorial Bridge" sign in Maury County.

The following special license plate bills were rolled one week:

1. **HB 2236** by Rep. Turner (Hamilton)--"Baylor School of Chattanooga" cultural license plate.
2. **HB 3082** by Rep. Turner (Hamilton)--"McCallie School in Chattanooga" cultural license plate.

Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, March 9, 2004, and considered seven bills. **HB 2823** by Rep. Buck passed to full committee as amended. The amended bill implements stricter standards to be eligible for a handicapped parking decal. The bill states that a person will have to be "so ambulatorily disabled that he or she cannot walk 200 feet without stopping to rest." The amended bill also increases the fine for unauthorized use of handicapped parking from a misdemeanor punishable by a fine of \$100 to a Class A misdemeanor punishable only by a mandatory fine of \$1,000. **HB 3519** by Rep. McMillan & Rep. Harmon passed to full committee. The bill would allow the Commissioner of the Department of Safety to require payment of fuel taxes to be paid by cash, money order, certified check, or cashier's check. **HB 2601** by Rep. Godsey passed to full committee. The bill would allow any motor vehicle officer investigating a motor vehicle accident to have the parties involved exchange insurance information. **HB 3518** by Rep. McMillan & Rep. Borchert passed to full committee. The bill removes the debossed or embossed requirement for license plates.

The following bills were rolled:

1. **HB 3154** by Rep. Dubois--rolled one week (Authorizes local governments to erect stop signs at unmarked railroad crossings).
2. **HB 3281** by Rep. Odom--rolled two weeks (Transfers jurisdiction of railroads from the TDOT to the Tennessee Regulatory Authority).
3. **HB 604** by Rep. DeBerry J.--rolled two weeks (Authorizes drivers license suspension for a person that has a condition that impairs safe driving).

Transportation continues on the next page

Public Transportation & Highways Subcommittee

The Public Transportation & Highways

Subcommittee met on Wednesday, March 10, 2004, and considered fourteen bills.

The following highway sign bills passed to full committee:

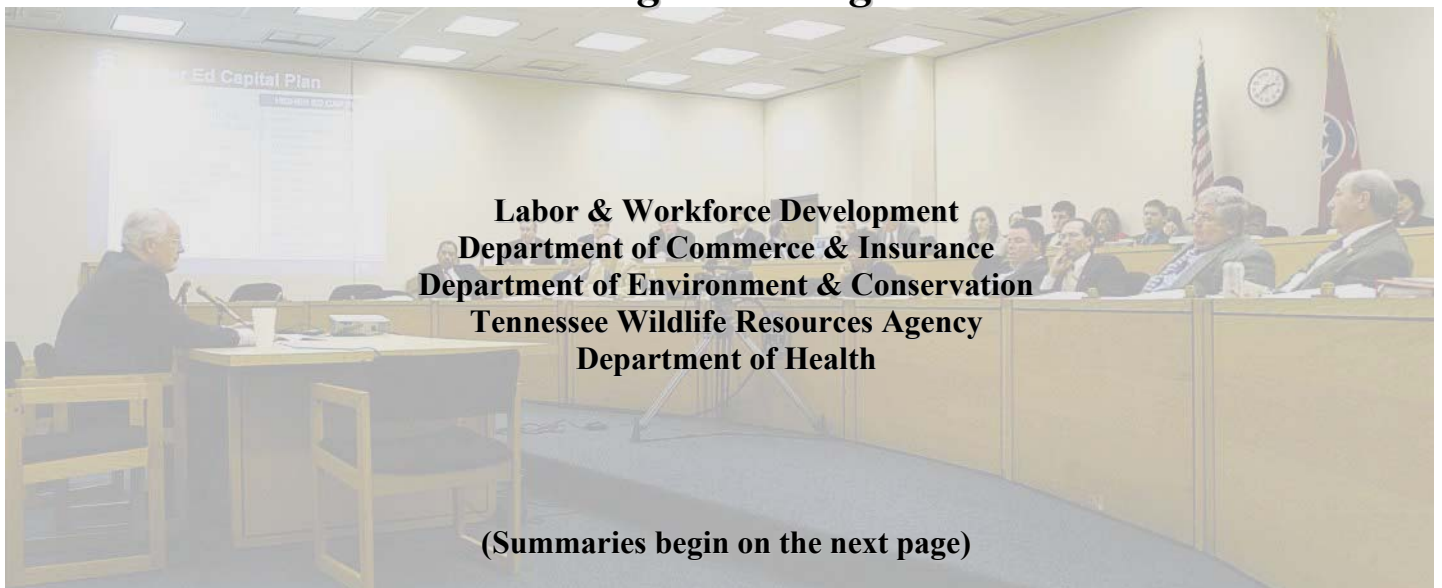
1. **HJR 837** by Rep. Maddox--"William T. (Bill) Burke Overpass" S.R. 22 overpass sign in McKenzie.
2. **HB 2527** by Rep. Sharp--One panel specific service signs for gas and camping at Exit 1 on I-24 and 75 in Hamilton County.
3. **HJR 870** by Rep. Wood--"Larry E. Steward Bridge" sign in Rutherford County.

HB 2137 by Rep. Sargent passed to full committee. The bill authorizes the Tennessee Golf new specialty license plate.

The following bills were rolled one week: (1) **HB 814** by Rep. Pinion, (2) **HB 2928** by Rep. Rinks, (3) **HB 3508** by Rep. McMillan, (4) **HB 2375** by Rep. Patton, (5) **HB 2808** by Rep. Rowland, (6) **HB 2784** by Rep. Windle, (7) **HB 3128** by Rep. Windle, (8) **HJR 895** by Rep. Cooper B., and (9) **HB 3187** by Rep. Bowers.

HB 3410 by Rep. Hargrove was taken off notice.

Budget Hearings



**Labor & Workforce Development
Department of Commerce & Insurance
Department of Environment & Conservation
Tennessee Wildlife Resources Agency
Department of Health**

(Summaries begin on the next page)

Department of Labor & Workforce Development

Shannon Romain
Research Analyst, Consumer & Employee Affairs

Representatives from the Department of Labor and Workforce Development met last week with the Finance, Ways and Means Committee. Commissioner James Neeley testified that the department met the mandatory 5% budget reductions. Following is a list of the improvements and reductions presented to the committee.

IMPROVEMENTS

1. 18 positions for Benefit Review	\$767,800
2. Rewrite of Boiler and Elevator Application	\$225,700
3. Second Injury Fund	\$2,000,000
(Note: This amount represents a "10% increase in the fund based on a 32% increase in payouts during fiscal year 02-03; an estimated 5% over the next 2 years; and a projected 12% increase in cases.)	

Total Improvements	\$2,993,500
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REDUCTIONS

1. 12 positions abolished	\$200,900
2. Below the line (Operational Costs)	\$913,900
3. Centralized photographic services	\$900

Total Reduction	\$1,115,700
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Total operating budget with improvements and reductions	194,721,100
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Hearings can be viewed via video streaming
on the Assembly's website.

Deputy Commissioner Scott White presented the 2004-2005 budget for the Department of Commerce and Insurance on March 3. He pointed out that Commissioner Paula Flowers had to be out of town and that she regretted her absence.

Funding for the department's budget is as follows:

State Appropriations	\$ 51,050,800
Federal Revenue	235,000
Counties	0
Cities	0
Non-govt. revenue	0
Current Services	22,799,100
Interdepartmental Revenue	7,469,500
Reserves	0
TOTAL	\$ 81,554,400

The department submitted the following two budget reductions:

1. Within the Insurance Division, the department will close its Knoxville branch office, abolishing zero positions but moving three to Nashville. Last year, the department closed the Memphis, Johnson City, and Chattanooga offices but left the Knoxville office open because of its convenience to the rest of the state. However, in the end, the potential to save **\$536,600** by closing the office outweighed the convenience. Because of the closure, all insurance fraud and special investigation matters will be conducted in the Nashville office and consumers will no longer have walk-in access in Knoxville to file an insurance-related complaint.
2. The department also plans to reduce the Fire Fighter Supplemental Pay Grant by five percent, saving **\$105,000**. Firefighters meeting the requirements of TCA 4-24-202 (completion of in-service training course or active duty military service that prevents such course completion) will earn \$375 instead of \$425.

The department's improvement requests total **\$603,200** including, among others:

- \$300,500 in restricted state appropriations for the Regulatory Boards Division. These appropriations result from revenues the various boards collect. The division plans to create an Attorney 4 position and must cover the increased workload created by the September 11, 2001, attacks. Since then, the demand for armed security guards has increased more than 35 percent and unarmed guards nearly 15 percent. The division must process the applications and review training requirements, both much more labor intensive for armed guards rather than unarmed guards. The division also investigates complaints, which have increased by more than 41 percent since January 2000. The guards make up the group receiving the most complaints during that time.
- \$205,600 in current services for the Fire Prevention Division and, more specifically, the Bomb and Arson Section. The Bomb and Arson Section, composed of 25 agents and support staff, investigates suspicious fires and bombings, especially those involving murder, attempted murder, or substantial loss of property.

continued

- It has investigated 50 murders since 1999, while its Special Operations Response Team (SORT) has deployed to 71 incidents during the same span, investigating nearly \$60 million in property damage. SORT has the ability to deploy rapidly to any location within the state where bombings or significant crimes of arson have occurred. The section requests three agents that will back-fill such positions as Certified Canine Handler and Certified Polygraph Examiner.
- \$75,700 in interdepartmental funds for an Attorney 4 position for the Administration Division. The division currently has 17 attorneys, 14 of which are Attorney 3s that are typically filled by entry-level attorneys because of the salary constraints. The remaining three attorneys are made up of two Attorney 4s and the director, all of whom handle their own caseloads and supervise the Attorney 3s. The division needs one more experienced attorney to help supervise the younger staff attorneys and to assist in the more complex legal issues.

Department of Environment & Conservation

Greg E. Adkins

Research Analyst, Conservation & Environment

The Commissioner of TDEC, Betsy Child, and staff presented the House Finance, Ways & Means Committee with its budget overview, reductions, and improvements on Wednesday, March 3, 2004. The department has \$311,575,000 total in recommended appropriated revenue for 2004/05, with \$150,092,000 in state appropriation and \$75,263,200 in federal appropriation. TDEC is cutting the Department overall by 3.9%, for a total of \$2.556 million in cuts to the General Fund. Commissioner Child said the Department was reviewing all projects and is currently initiating performance based budgeting that was required by state law in 2002.

TDEC Budget Improvements:

Local Parks Acquisition Fund (Dedicated Revenue)	\$2,187,500
State Lands Acquisition Fund (Dedicated Revenue)	\$1,875,000
Underground Storage Tanks	\$10,000,000
Air Pollution Vehicle Emission Testing (Dedicated Fees)	\$2,727,400
Lead-Based Paint (Federal Funding)	\$98,900
Homeland Security (Federal Funding)	\$78,600
Historical Publications (State Funding)	\$40,000
Total	\$17,007,400

continued

Departmental Cuts:

TDEC Dept.	Actual \$ Cut	Description of Cut
Administrative	(\$268,300)	Reduce General Fund appropriation for administrative services and replace with dedicated fees.
Environmental Positions	(\$78,900)	Abolish 2 vacant positions.
Solid Waste Management	(\$75,000)	Utilize federal funds to pay for 2 positions previously funded with state appropriation.
Superfund	(\$12,900)	Reduce to federal and state required level of \$1 million.
Operational	(\$1,079,200)	Reduce travel, supplies, professional services from third parties, and integrated resources information system.
State Parks Positions	(\$1,041,700)	Abolish 32 full-time, 5 part-time, and 63 seasonal jobs (all vacant).
Total	(\$2,556,000)	

Tennessee Wildlife Resources Agency - TWRA

Greg E. Adkins

Research Analyst, Conservation & Environment

The Wildlife Agency director, Gary Meyers, presented the House Finance Committee with TWRA's budget with no improvements on Wednesday, March 3, 2004. TWRA is literally a self-funded agency with only \$835,400 in state appropriations for the 2004/05 fiscal year. Federal revenue and fees charged to hunters, fishermen, and boaters fund the agency.

TWRA Revenue Sources for the Fiscal Year 2004/05 budget:

State Appropriation	\$835,400
TWRA Appropriation	\$33,961,400
Federal Revenue	\$14,790,900
Interdepartmental & Current Services	\$3,427,000
Total	\$53,014,700

Federal and state law mandates the agency operate a performance-based budget which requires a performance audit every five years. Federal and state law (Tenn. Code Ann. 70-1-401(b) and 69-10-203(b), 16 USC 777 and 16 USC 669) prohibits TWRA's funds to be captured for general appropriations for state government. Reverting funds for general state appropriations from the general fund would result in the loss of \$14.79 million in federal funds for the 2004/05 year. Therefore, the agency is not required to cut their budget in accordance with the Governor's 5% across the board budget reduction. However, Mr. Meyers told the committee that the agency had cut its own budget four years ago by 8%.

Department of Health

Judy Narramore

Research Analyst, Health & Human Resources

On March 4, 2004, Dr. Kenneth Robinson, Commissioner of the Department of Health, presented the Department's FY 2004-05 budget request. The Department's **proposed budge totals \$462,871,700**, which **includes \$101,197,400 in state appropriations**, \$252,438,100 in federal revenue, and \$109,236,200 in "other" funding.

As part of Governor Bredesen's FY 2004-05 budget reduction efforts, the Department's proposed budget was **reduced in state dollars to the general fund by \$6,867,500** and nine administrative positions, as follows:

- Minority Health/reduce travel, printing, communications, professional services -\$16,500
- Executive Administration/abolish three vacant positions in internal audit -\$99,400
- Administrative Services/abolish two accounting positions (one vacant and one filled) and eliminate temporary staffing -\$127,000
- Cost Reallocation/replace state appropriations with federal and other departmental revenues -\$2,977,500
- Health Informatics/abolish two filled support positions and reduce travel and computer purchases -\$102,600
- Health Information Tennessee/eliminate contract for website maintenance -\$259,000
- Laboratory Services/abolish two vacant positions -\$48,500
- Immunization Program/reduce appropriation for vaccines -\$497,100
- Local Health Services/reduce appropriation for computers and office supplies -\$1,379,900
- Payroll Benefits/reduce the amount budgeted to the required level -\$1,360,000

Total reduction in state appropriations -\$6,867,500

Improvements for FY 2004-05 total \$3,430,800 in state appropriations and five positions, as follows:

- HIV/AIDS Care \$1,000,000
To provide additional funding for medical care for HIV/AIDS patients through the federal Ryan White program. The program provides medications to HIV/AIDS patients who are uninsured and below 300% of the federal poverty level but are ineligible for TennCare. These funds will be used to address an increasing caseload. Currently, about 12,000 Tennesseans are diagnosed with HIV/AIDS, and approximately 1,000 new cases are diagnosed every year.
- Alcohol and Drug Addiction Treatment \$2,000,000
To provide funding for treatment services for DUI offenders. Legislation enacted in 2003 allowed more treatment alternatives in addition to ignition interlock devices. As a result, the program has grown from 16 to 37 treatment providers and has expanded to a full continuum of care. These funds are from dedicated revenues from the proceeds of the sale of DUI seized vehicles, mandatory fines collected from DUI offenders, and fees from the issuance of temporary operating permits and license plates.
- Tobacco Control \$202,600
To provide additional funds necessary to match the existing level of federal funds. The state-to-federal match will change effective July 1, 2004, from 1:10 to 1:4. Failure to meet the new match requirement will result in the loss of \$810,400 in federal funds currently budgeted.
- Health Licensing \$228,200
To provide funding for five positions: dental exam coordinator for the Board of Dentistry, administrative assistant for the Massage Licensure Board, licensing technician for the Committees of Occupational and

continued

Physical Therapy, and one attorney each for the Board of Medical Examiners and Board of Dentistry. This funding is an appropriation from dedicated fees collected from the regulated professions and occupations.

Total state appropriations for improvements \$3,430,800

Dr. Wendy Long, Deputy State Health Officer, responded to questions concerning local health departments. According to Dr. Long, every health department across the state provides the following services: family planning, well child exams, childhood immunizations, treatment of sexually transmitted diseases, and WIC (women, infants and children). Additionally, about half of the local health departments provide dental services for children.

Department of Human Services

Judy Narramore

Research Analyst, Health & Human Resources

On March 4, 2004, Commissioner Gina Lodge, Department of Human Services, presented the Department's FY 2004-05 budget request. The Department's **proposed budget totals \$1,645,559,400**, which **includes \$192,385,500 in state appropriations**, \$1,343,056,200 in federal revenue, and \$110,117,700 in "other" funding.

Commissioner Lodge stressed improvement funding needs of \$78,604,600 reflect caseload growth, primarily in Families First, not true improvements. To comply with Governor Bredesen's budget reduction request, the Department identified **\$31,472,100 in state dollar reductions**. Therefore, the Department had a net **improvement request of \$47,132,500 in state appropriations**.

According to Lodge, reductions in state dollars were prioritized in order of least impact on clients, as follows:

- Eliminate recurring funds for TANF differential grants -\$10,500,000
- Reduce administrative cost rates for FF contractors -\$370,000
- Reduce FF research and evaluation costs -\$656,600
- Permit education/work requirement to be optional for FF client with child under 1 year of age -\$4,345,100
- Convert contract and temporary staff to state employees -\$3,420,000
- Use automation to streamline child care certificate payment process -\$1,000,000
- Reduce scope of the TECTA contract for child care provider training -\$1,000,000
- Increase work requirement to achieve transitional child care -\$3,000,000
- Maintain low income child care at current expenditure levels -\$5,754,400
- Recognize additional TennCare funding as result of Random Moment Sample -\$1,000,000
- Consolidate administrative offices -\$426,000

Total reduction in state dollars for FY 2004-05 -\$31,472,100

While additional dollars are not anticipated in the federal grant for Families First, the caseload is projected to increase from its current enrollment of about 73,500 families to approximately 80,900 families by July 2005. The caseload growth in Families First is attributed to the deteriorating economy, lower job growth (particularly a decline in low-end jobs), fewer retail sector jobs, and a population growth of 2.5 percent since 2000. Governor Bredesen recently appointed a Families First Task Force to study best program practices in Tennessee and other states and make recommendations to the 104th General Assembly.